

FBIS 22 (SEE 18)

## ISRAELI DEFENSE MINISTER VIEWS MIDEAST SETTLEMENT POSSIBILITIES

TA280621 TEL AVIV HA'AREZ IN HEBREW 28 JUL 75 P 9 TA

(YOEL MARKUS REPORT ON INTERVIEW WITH ISRAELI DEFENSE MINISTER SHIM'ON PERES: "WE SHAN'T RELINQUISH THE PASSES TO MAKE THINGS EASIER FOR EGYPT"--TIME AND PLACE OF INTERVIEW NOT GIVEN)

(TEXT) IF THERE WAS ONE MINISTER IN THE GOVERNMENT WHO WAS NOT SURPRISED BY EGYPT'S REJECTION OF THE ISRAELI "FINAL PROPOSAL," IT WAS MR SHIM'ON PERES. HE HAD BEEN DOUBTFUL OF EGYPT'S INTENTIONS FROM THE START. IN THE TALKS WHICH I HAD WITH HIM IN RECENT MONTHS, HE SEEMED QUITE SKEPTICAL IN THE FACE OF THE PREDICTIONS THAT EGYPT SINCERELY DESIRES TO LIVE IN PEACE WITH ISRAEL. FOR THIS REASON, IT WILL BE RECALLED, HE WAS IN FAVOR OF A LIMITED SETTLEMENT THAT WOULD NOT INCLUDE THE PASSES. IT SEEMS TO ME THAT HIS PUBLIC STATEMENTS ON THIS SUBJECT, AS WELL AS HIS INSISTENCE ON THE PRINCIPLE OF A MILITARY FOOTHOLD IN THE PASSES, EVEN AIDED IN PRODUCING SOME TENSION IN THE RELATIONS BETWEEN HIM AND THE PRIME MINISTER.

AS COULD HAVE BEEN EXPECTED, MR PERES "DOES NOT KNOW WHAT IS REFERRED TO BY THE TENSE RELATIONS," BUT IT IS BEING WHISPERED IN POLITICAL CIRCLES THAT THE GOOD SPORTSMANSHIP SPIRIT THAT HAD PREVAILED WHILE RABIN AND PERES WERE CONTESTING THE PREMIERSHIP, HAS BEEN REPLACED BY A WEE BIT OF SUSPICION AND A SMALL MEASURE OF TENSION. EVEN BEFORE EGYPT DEMONSTRATED TO THE WORLD AT LARGE ITS OPINION THAT IT VIEWS THE UNEF AS A TOY OF SORTS, WHICH IS AT THE MERCY OF EGYPT'S CAPRICES, PERES THOUGHT THAT POINTS THAT ARE SENSITIVE (TO ISRAEL'S SECURITY) SHOULDN'T BE LEFT IN THE HANDS OF THE UN FORCES, WHOSE STABILITY IS TO BE DOUBTED. "THE PRESENCE OF FOUR AMERICAN CITIZENS EQUALS 1,000 SOLDIERS IN UN UNIFORM," HE EXPRESSED HIMSELF IN A CLOSED CIRCLE OF ASSOCIATES. IT WAS HIS DOUBT REGARDING THE UN AND THE EGYPTIAN INTENTIONS WHICH MADE HIM CONCEIVE THE PROPOSAL THAT AMERICANS MAN THE EARLY WARNING POSTS.

I MET WITH MR PERES AFTER EGYPT'S ANSWER HAD BECOME KNOWN. HE DID NOT BOAST BY WAY OF "I TOLD YOU SO." HE WAS CAUTIOUS IN HIS UTTERANCES TO THE EXTENT OF EVEN TRYING TO DEMONSTRATE OPTIMISM. "THIS MAY NOT BE PUTTING AN END TO THE SETTLEMENT (HE SAYS), BUT THIS AMOUNTS TO AN AMASSING OF DIFFICULTIES TO A DEGREE WHERE THE QUESTION MUST BE ASKED WHETHER EGYPT STILL DESIRES A SETTLEMENT. THE EGYPTIAN ANSWER TOTALLY IGNORES ISRAEL. THEY ACTUALLY DESIRE A GREAT DEAL FROM US WITH NOTHING IN RETURN FROM THE EGYPTIANS. AND BESIDES, 5 MINUTES BEFORE THE SETTLEMENT IS TO BE REACHED, ONE CANNOT DESCRIBE ISRAEL AS A DAGGER. ONE DOES NOT MAKE A SETTLEMENT WITH A DAGGER."

(MORE)

28 JUL 0716Z BR/GFE

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IT WAS APPARENT THAT PERES DOES NOT WANT TO EXPRESS A DIVERGENT VIEW FROM THAT OF THE PRIME MINISTER'S SO AS NOT TO STRETCH THE THREAD BETWEEN THEM OVER THE LIMIT. HE SAYS: "AS-SADAT MAY CONTIMPLATE TWO THINGS IN HIS MIND: THAT HE MIGHT HARM U.S.-ISRAELI RELATIONS EVEN MORE BY COMMITTING THE UNITED STATES TO EXTORTING A BIT MORE FROM ISRAEL. HE MAY ALSO BELIEVE THAT ISRAEL'S POSITION CAN BE SOFTENED EVEN MORE. IF THESE ARE HIS DELIBERATIONS, IT IS MY VIEW THAT EGYPT IS MAKING A MISTAKE. WE HAVE GONE FAR, VERY FAR INDEED, AND IT HAS ALSO BECOME CLEAR THAT OUR PROPOSALS ARE FINAL. IT WOULD BE DIFFICULT TO ASSUME THAT ONE COULD RETREAT EVEN FURTHER," PERES SAYS. WHAT HE DOES NOT SAY IS THAT THE AMERICANS, TOO, GAVE THEIR APPROVAL TO ISRAEL'S RECENT PROPOSAL AND KISSINGER EVEN PRAISED IT AND ISRAEL'S FLEXIBILITY.

NO WONDER THAT KISSINGER PRAISED ISRAEL, I SAID, WE FORFEITED THE PASSES, DIDN'T WE? MR PERES DOES NOT AGREE. "WE DID NOT FORFEIT THEM FROM A STRATEGIC STANDPOINT, WE MERELY PROPOSED A DIFFERENT FORM OF DEPLOYMENT. BUT IN ANY CASE, THE WHOLE ISSUE MAY NOW BECOME THEORETIC TO SOME DEGREE IN LIGHT OF THE EGYPTIAN REACTION." THE HOLD ON THE PASSES HAS THREE DEGREES OF IMPORTANCE. IN TIMES OF PEACE THEY HAVE A STRATEGIC VALUE, IF THERE IS NO WAR, THEY CAUSE NO CONCERN. IN TIMES OF WAR THEY ARE OF TOPOGRAPHICAL IMPORTANCE, SINCE WHAT IS IN QUESTION IS A MOBILE WAR, NOT A WAR ON REAL ESTATE. DURING AN INTERIM ERA, THEY ARE OF CRUCIAL IMPORTANCE FOR US. SINCE OUR DEFENSE IS BUILT OF RESERVE FORCES, IT IS OF PRIME VALUE WHERE YOU ARE DEPLOYED, FROM WHICH HILLS YOU RECONNOITER AND WHERE TO. THE EGYPTIANS COULD HAVE TOLD US, IN THE COURSE OF THE NEGOTIATIONS, THAT THE PASSES WERE OF A SYMBOLIC AND EMOTIONAL VALUE TO THEM. GIVE US THE ROADS OF THE PASSES, AND IF YOU ARE SO APPREHENSIVE, WE SHALL CANCEL THE STATE OF WAR. SINCE THEY HAD NOT DONE THAT, THEY COULD HAVE SAID: LET'S TAKE THE PASSES AND LET US LEAVE THEM IN CHARGE OF UNBIASED HANDS. HOWEVER, WHEN EGYPT WANTS TO GET THE PASSES WHILE IT REFUSES TO CANCEL THE STATE OF WAR ON THE ONE HAND, AND ON THE OTHER HAND IT TRIES TO CREATE A STRATEGIC THREAT UPON ISRAEL--THIS IS IMPOSSIBLE. "WE SHALL NOT RELINQUISH THE PASSES TO MAKE IT EASIER FOR EGYPT TO FIGHT US," SAYS PERES.

(MORE)

28 JUL 0845Z BR/TM

FOUR AND LAST AND ER (FINAL INTERVIEW WITH NA'AREL)

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(TEXT) BUT ASSUMING THAT THE OFFICIAL POSITION IS OF A FINAL ONE, NEVERTHELESS, PERES? IF IT BECOMES CLEAR THAT THIS IS NOT A TACTICAL STEP, AND EGYPT'S POSITION, THAT WOULD INDICATE THAT EGYPT DOES NOT WANT A SETTLEMENT. THEN WE SHALL HAVE NOTHING TO PROPOSE. QUESTION: CANNOT THE AMERICANS EXERT PRESSURE ON ISRAEL THAT IT SHOULD BE THE ONE TO MAKE CONCESSIONS? PERES DOES NOT ELABORATE AND MAKES DO WITH A LACONICAL REMARK THAT "THE AMERICANS VERY MUCH DESIRE A SETTLEMENT."

DOES NOT PERES HAVE THE IMPRESSION THAT MENAHEM FORD AND AS-SADAT SOLD US DOWN THE RIVER A LITTLE IN SALEMBO, PERHAPS BECAUSE WE HAD NOT COORDINATED OUR POSITIONS WITH THE AMERICANS BEFORE THE MEETING WITH AS-SADAT? PERES DOES NOT REACT TO THE SECOND PART OF THE QUESTION. ALTHOUGH HE DID NOT HAVE PERHAPS SOMETHING TO SAY IN THAT CONNECTION, IN VIEW OF THE NEWSPAPER REPORTS ALLEGING THAT THE PRIME MINISTER TWICE REJECTED OFFERS BY PERES TO GO TO THE UNITED STATES. ONE HAS TO RECOGNIZE THE FACT, HE SAYS, THAT THERE ARE NEW OUTLINES OF POLICY, THE AMERICANS WISH TO PENETRATE INTO THE ARAB WORLD, WITHOUT DISRUPTING TOO MUCH THE RELATIONS WITH ISRAEL. EVERYTHING NEW HAS A LITTLE MAGIC ABOUT IT AT FIRST, A CHARM THAT LATER SUMMERSES IN THE TECHNICAL DETAILS. AS-SADAT TOO, IS TIRED OF THE RUSSIANS (IT WAS A CASE OF TYPICAL ARAB HOSPITALITY, BEGINNING AT THE PINNACLE AND SINKING GRADUALLY). EGYPT EXPECTS THAT THE UNITED STATES WILL HELP EXTRICATE EGYPT FROM ITS ECONOMIC DIFFICULTIES, AND SUCH A MOVE WOULD BRING IRAN AND SAUDI ARABIA NEARER--THE TWO GREAT SOURCES OF MONEY AND OIL IN THE REGION. THIS IS A NEW SITUATION, WITH WHICH ONE HAS TO LEARN TO LIVE.

THE CRUCIAL QUESTION CONFRONTING ISRAEL IS WHETHER IN THIS WORLD A MODEL OF A SMALL STATE CAN BE CREATED THAT WOULD BE TRULY INDEPENDENT. ISRAEL STANDS ON A GEOGRAPHICAL CROSSROADS, BUT ITS INTERESTS DO NOT UNFORTUNATELY HAPPEN TO COINCIDE WITH THE INTERESTS OF THE GREAT POWERS. AND THE QUESTION THAT KEEPS TROUBLING MR PERES THESE LAST SEVERAL MONTHS IS, ACCORDING TO HIM, WHETHER A REALLY INDEPENDENT STATE CAN BE MAINTAINED WHICH WOULD NOT BASE ITSELF ON GLOBAL INTERESTS, BUT WOULD BE BUILT SOLELY ON ITS OWN HISTORICAL BACKGROUND?

PERES BELIEVES IT TO BE POSSIBLE. MAXIMUM SELF-SUFFICIENCY IN THE SUPPLY OF ARMS. ECONOMIC SURVIVAL. A NATIONAL SELF-TRAINING. OUR CAPABILITY TO REAP BREAD FROM THE SOIL, TO RETURN TO AGRICULTURE. "BY THE END OF THIS CENTURY," SAYS PERES, "SEVEN BILLION PEOPLE WILL INHABIT THE WORLD. EVERY GRAIN OF WHEAT AND EVERY CENT

OF AIR WILL HAVE THE VALUE OF GOLD. THE QUESTION IS WHETHER ISRAEL WILL BE ABLE TO GROW ITS OWN WHEAT. WHETHER IT WILL BE ABLE TO REDUCE ITS DEPENDENCE. JUST AS WE PRODUCED THE KEFIR, WE SHALL BE ABLE TO PRODUCE ENGINES FOR THE KEFIR, AS WELL AS HELICOPTERS, AND THE "MISSILIZATION" OF THE ARMY HAS TO CONTINUE. IT IS EASIER TO PRODUCE A MISSILE THAN A CANNON, BECAUSE THIS IS A PROJECTILE WITH THE PROPULSION OF A CANNON.

A LATTER DAY VISION? A NIGHTMARE? A DESIGN FOR ACTION? PERHAPS A LITTLE BIT OF EVERYTHING. MEANWHILE, OUR DEPENDENCE ON THE UNITED STATES IS GREAT. AND EGYPT'S INTRANSIGENT POSITION OBLIGES THE GOVERNMENT TO DEAL IN IMMEDIATE ISSUES. AND VERY SOON MR PERES WILL HAVE TO DECIDE WHETHER HE, AS THE DEFENSE MINISTER BEARING THE RESPONSIBILITY FOR ISRAEL'S SECURITY, CAN LEAD HIS HAND TO A FURTHER BITE FROM SOMETHING WHICH WE CONSIDERED TO BE ISRAEL'S "FINAL PROPOSAL."

CO R R N G I O N: PLEASE MAKE HEADING READ XXX 'FBIS 34' VICE 'FBIS 31'XXX

MAKE PARAGRAPH FOUR, LINE SIX READ XXX AND EVERY CENTIMETER OF AIR WILL HAVE THE XXX (CONNECTING FILL-UP)

(ENDALL)

26 JUL 1136Z 8X/0FE